

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Evaluation of CIA Compensation Practices

FROM:

James N. Glerum
Director of Personnel

EXTENSION

NO.

DATE

1 AUG 1981

STAT

TO: (Officer designation, room number, and building)

DATE

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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Director for
Administration-7D24 Hqs.

1 SEP
1981

Response: 11 Sep

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31 AUG 1981

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DD/A Registry
81-1546/1

MEMORANDUM FOR : Director, Intelligence Community Staff
 Deputy Director for Administration
 Deputy Director for National Foreign Assessment
 Deputy Director for Operations
 Deputy Director for Science and Technology
 Chairman, E Career Service

FROM : James N. Glerum
 Director of Personnel

SUBJECT : Evaluation of CIA Compensation Practices

REFERENCE : Memo for D/OP to DDCI, Same Subject, Dated
 22 July 1981, ER 81-7699/1

1. The Deputy Director of Central Intelligence has approved contracting with a consultant to evaluate the Agency's existing compensation practices and recommend possible alternatives. In particular, for both domestic and overseas employees, the consultant will:

- ° Review and analyze white collar pay practices,
- ° Identify any existing compensation problems; and, if indicated,
- ° Identify and recommend options for modifying the existing compensation systems. (The actual development and implementation of any modifications would be done by the Agency and is therefore outside the scope of the study.)

In addition, the consultant is to:

- ° Observe and evaluate selected overseas CIA and other intelligence community positions to determine the proper linkages of related occupations among community agencies, and
- ° Quantitatively assess, for domestic employees, the extent to which the General Schedule facilitates recruitment and career management needs and objectives of the Agency.

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2. We have identified several very valid problems to be anticipated. These problems have to do with potential:

- Adverse reaction to changes in grade relationships to bring pay more in line with the marketplace,
- Perceived loss of salary potential for certain occupations,
- Exacerbated classification and transitional problems,
- Administrative and maintenance problems for a new system, and
- Adverse reaction by Congressional oversight committees, OMB, and others outside the Agency.

The above points need to be considered throughout the survey process. Except for having to deal with Congress and OMB, these problems are present in all compensation assignments and the consultant is accustomed to dealing with them. Three factors which are key to minimizing or overcoming these problems are involvement, communication, and documentation.

- a. Involvement - equity problems and adverse reaction by employees and managers will be minimized by their active involvement in the study. This involvement (primarily in the form of interviews) will assist the consultant in understanding current problems and equity issues and will make employees feel like they participated in making decisions which are critical to their welfare.
- b. Communication - any changes to the existing pay structure will need to be understood by all who will be affected by them. The consultant will assist the Agency in developing a framework for a communications strategy. In addition, we feel that attention should be devoted to the way the study and proposals are perceived by CIA personnel, so that unwarranted fears or expectations are not developed. The consultant will offer the Agency suggestions for dealing with this issue as well.
- c. Documentation - opposition from outside the Agency to any proposed changes will be minimized if the analysis is well documented. The consultant is aware of this fact.

and will utilize a variety of accepted, state-of-the-art analytical techniques in arriving at its recommendations. Final recommendations will be in a format which could be presented to oversight committees.

3. The Office of Personnel will need your assistance during this endeavor. I ask that you identify a focal point officer within your Directorate to work with my representative in providing initial briefings to the consultants, arranging interviews for them and to serve as resource personnel. As I anticipate the survey to begin on or about 1 October, I would appreciate being advised of your designee by 11 September 1981. This will allow the designees to receive preliminary briefings and to review the formal consultant proposal.

/s/ James N. Glerum

James N. Glerum

cc: Director, Office of Policy and Planning
Director of Finance
OGC, Attn:
O/COMP, Attn:

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